

NATIONAL COMMITTEE ON
UNITED STATES - CHINA RELATIONS

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71 West 23rd Street, 19th Floor
New York, NY 10010-4102
www.ncuscr.org

ANNUAL REPORT 2003

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NATIONAL COMMITTEE ON UNITED STATES - CHINA RELATIONS

The National Committee on United States-China Relations is a nonprofit educational organization that encourages understanding of China and the United States among citizens of both countries. The Committee focuses its exchange, educational and policy activities on international relations, economic development and management, governance and legal affairs, education administration, environmental and other global issues, and the media, addressing these issues with respect to the People's Republic, Hong Kong SAR and Taiwan. The Committee's programs draw strength from its members, who now number nearly 700 Americans from all parts of the country and about 70 corporations and professional firms. They represent many viewpoints, but share the belief that productive U.S.-China relations require ongoing public education, face-to-face contact and forthright exchange of ideas.



LETTER FROM THE CHAIR AND PRESIDENT

That the people of the United States and China are interconnected and interdependent was made clear in numerous ways in 2003. The most important indicator – trade between the two countries – expanded by 23.2% to \$191.7 billion dollars. Holdings of U.S. Treasury notes by the PRC (excluding Hong Kong SAR) grew 33.4% to \$158 billion. But it was the discovery of a mysterious new epidemic called SARS (Severe Acute Respiratory Syndrome) that made it clear that human contact was also very much a part of Sino-American relations.

For several months SARS halted a great deal of economic activity within China and filled newspapers and airwaves with dire speculation about whether China would become a wasteland and global industrialists would move production from China to India and other countries. On April 20, 2003 the government of China dismissed its minister of health and the mayor of Beijing, marking an important milestone in the new, younger – and more open – leadership of President Hu Jintao and Premier Wen Jiabao. When it finally became clear that it had not returned with the cooler, drier weather of winter, for most people SARS faded quickly from memory like a bad dream.

The National Committee responded to SARS through prudent steps to minimize risks to participants in our programs, and through two programs that directly addressed the disease's ramifications and technical means to deal with public health crises. In 2003 we also conducted

a program that dealt with another public health scourge – HIV/AIDS – by giving prominent Chinese activists opportunities to learn firsthand how community-based organizations in the United States deal with it.

Our programs in 2003 also dealt with societal health. Corruption, like disease, is a problem that plagues all societies in varying degrees. China's "opening and reform" has created enormous economic growth and better lives for hundreds of millions of her citizens, but it has also resulted in a rapid rise in corruption. We were pleased to be able to offer specialists from China's Ministry of Supervision the opportunity to witness how the United States, at federal, state and local levels, deals with corruption. The main "takeaway" for the delegation was that it is not possible for the government to effectively supervise itself; civil society and the media must play a significant role as well.

SARS wreaked havoc with the scheduling of our activities this year. Ultimately, thanks to understanding funders and partners, none of them had to be canceled. We were able to conduct our four important multi-year programs in 2003, the U.S.-China Teachers Exchange Program, the Foreign Policy Colloquium, the Time Warner Internship Program and the Young Leaders Forum, each of which is an important investment in the future of U.S.-China relations.

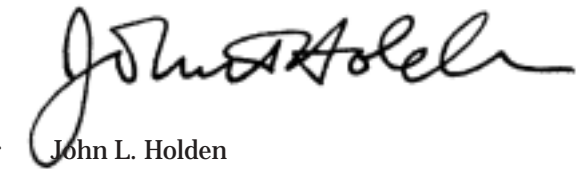
The status of Taiwan remains a question that threatens peace and prosperity in East Asia, and is thus of key concern to

the United States. Elections in Taiwan scheduled for early 2004 promised heightened tension in cross-Strait relations, and the National Committee therefore convened a meeting of American experts in August 2003 to take stock of the situation and examine what, if anything, the United States should do differently. This and other sensitive questions were examined in a meeting between the Chinese Foundation for International and Strategic Studies (CFISS), headed by former Vice Premier Qian Qichen, and the Stanford-Harvard Preventive Defense Project (PDP), led by former Secretary of Defense William Perry. The quality of participants and depth of interaction of both of these programs resulted in highly productive discussions, and bore witness to the unique value of the National Committee as a catalyst for understanding both among Americans, and between Americans and Chinese.

Our work would not be possible without the energetic and effective involvement of an extraordinary Board of Directors, an active membership, and a capable and dedicated staff. Nor would it be possible without the support of a number of American foundations and corporations, who are able to look over the horizon and invest wisely in the future. And it would not be possible without United States government programs that bring Americans and Chinese together in common enterprises that build bridges to a better future. To all of these supporters and friends we extend our most sincere gratitude.



Carla A. Hills
Chair



John L. Holden
President

2003 EXCHANGES AND CONFERENCES

The National Committee's 2003 conferences and exchanges reflect our commitment to addressing cutting-edge issues such as anti-corruption, nuclear weapons proliferation and SARS – and to do so using a variety of formats ranging from videoconferences to study tours and internships. One of the keys to the success of these programs is the generous contributions of time and expertise from our network of directors, members, friends and specialists. We extend our sincere appreciation to the countless people who helped us develop and implement the conferences and exchanges described below.

INTERNATIONAL AFFAIRS

China's growing economic, political and military strength is now a common topic of discussion among both policy specialists and the general public. The following National Committee programs shed light on the roles that China plays regionally and globally, the range and trajectory of its influence, and its interaction with other key players. When we deal with such sensitive issues, our goal is to create a forum in which leading American and Chinese specialists can exchange information and have a frank exchange of views.

New Challenges and Opportunities in the Taiwan Strait

In the summer of 2000, the National Committee held a conference to examine the change in cross-Strait dynamics resulting from Chen Shui-bian's election earlier that year and to consider the

implications for U.S. policy in the region. In August 2003, with the Taiwan presidential campaign gearing up and with a new set of leaders in the PRC, the time was ripe to re-examine cross-Strait relations and re-evaluate the effectiveness of U.S. policy. Thirty specialists in political, security, social and economic issues took part in the program "New Challenges and Opportunities in the Taiwan Strait," held August 8-10 at the Rockefeller Brothers Fund's Pocantico Conference Center.

The conference was designed to encourage an exchange of information and ideas, rather than to generate consensus, and indeed, the different disciplines and perspectives of participants fueled an energized debate. The discussions were enhanced by the inclusion of business leaders active in both Taiwan and the PRC, who provided an "on-the-ground" perspective on how integration is surging forward in the economic sector.

The agenda centered around three broad questions: What remains the same in cross-Strait relations? What has changed? What is to be done? Participants discussed continuity in U.S. policy toward cross-Strait relations and the persistence of strategic ambiguity; new developments in the international security situation and in the political, social, economic and military affairs across the Strait; and the potential consequences for American policy. Although a number of suggestions were made for adjustments to U.S. policy, there was a general sense among

participants that significant changes could be unnecessarily destabilizing.

Thomas J. Christensen, professor of politics and international affairs, authored the conference report, which was published as part of the National Committee's China Policy Series. The report is posted on the National Committee's website; bound copies are available upon request.

Support for the conference was provided by the Ford Foundation and the Rockefeller Brothers Fund.

Strategic Security Conference

The National Committee has forged an effective partnership with the Preventive Defense Project (PDP), the innovative and influential program conceived and led by former Secretary of Defense William J. Perry and former Assistant Secretary of Defense Ashton Carter. Since 1998, the National Committee has collaborated with PDP in efforts to engage in dialogue with leading Chinese specialists about Northeast Asian security concerns and U.S.-China relations. The off-the-record, non-governmental nature of the project encourages participants to steer away from recitation of familiar positions and explore creative policy approaches.

PDP and the National Committee convened a strategic security conference in New York City, November 9-11, with the program's regular counterpart, China Foundation for International and Strategic Studies (CFISS). Discussions

primarily focused on North Korea; cross-Strait relations; and the effect of domestic political situations in the United States, Taiwan, and the PRC on Asia-Pacific regional affairs.

The Chinese delegation was led by former Vice Premier and Foreign Minister Qian Qichen. Delegation members were former Central Party School head Zheng Bijian; Chen Xiaogong, Central Foreign Affairs Office; Zhan Maohai, China Institute for International Strategic Studies; Qin Xiao, China Merchants Group Ltd. and China Merchants Bank; Cui Liru, Institute of World Information; Chen Zhiya, CFISS; Zhang Tuosheng, CFISS; Zheng Zeguang, Ministry of Foreign Affairs; Yue Xiaoyang, Ministry of Foreign Affairs; Wang Jisi, Chinese Academy of Social Sciences; Yuan Ming, Peking University; Huang Jiashu, Renmin University; Huang Renwei, Shanghai Municipal Center for International Studies; Zhang Yu, CFISS; Fu Xiao, CFISS; and Wang Boyong, CFISS. China's Ambassador to the United States, Yang Jiechi, and its Consul General in New York, Liu Biwei, also took part in conference discussions.

In addition to Dr. Perry and Dr. Carter, American participants included Michael H. Armacost, Stanford University; Jan Berris, National Committee on U.S.-China Relations; Kurt Campbell, Center for Strategic and International Studies; Richard N. Haass, Council on Foreign Relations; John L. Holden, National Committee on U.S.-China Relations; David M. Lampton, Johns Hopkins University School of Advanced

International Studies; Thomas O’Gara, O’Gara Company; James R. Schlesinger, MITRE Corporation and Lehman Brothers; Admiral Joseph Prueher, U.S. Navy (ret.); General John Shalikashvili, U.S. Army (ret.); and Elizabeth Sherwood-Randall, Preventive Defense Project.

GOVERNANCE AND LEGAL AFFAIRS

In recent years, the National Committee’s programs in the field of governance and legal affairs have focused primarily on judicial and civic leaders, recognizing that effective implementation of the law requires professional staff, adequate



Former Securities and Exchange Commissioner Rod Hills (seated, left) and former U.S. Trade Representative Carla Hills (seated, second from right) shared their perspectives with the Anti-Corruption Delegation.

resources for training, and a commitment to public accountability. Despite differences in the two countries’ legal frameworks and traditions, American and Chinese legislators, judges and agency officials have found value in sharing their knowledge and experience. Through these exchanges, the National Committee

has developed a network of professionals and institutions that help us identify topics for further exchanges that bring value to both sides.

Anti-Corruption Delegation

Beijing has instituted several anti-corruption campaigns – at the local, provincial and national levels – to try to ameliorate the problem, but efforts to date have been limited and temporary. There is growing recognition in China that genuine, durable progress in controlling corruption requires legal and judicial reform, new auditing systems, a galvanized media and watchdog organizations.

China’s Ministry of Supervision has been interested in learning about the means that other countries employ to reduce official corruption. The National Committee was eager to work with them on this important subject. Eight ministry representatives, including the directors of its three National Supervision Training Centers, took part in a two-week study tour of the United States in September that focused on measures to combat corruption, institutions and legal regulations relevant to the process, training methodologies, and the roles played by citizens and the media.

Briefings in Washington, D.C. gave the group exposure to both multilateral and U.S. government initiatives, as well as to the role of civil society in combating corruption. Delegation members met with representatives of six different federal agencies, as well as the

International Finance Corporation, World Bank Institute, Organization of American States, Center on Budget and Policy Priorities and Committee on Economic Development, among others.

The Washington policy discussions came alive during two days spent at the Federal Law Enforcement Training Center (FLETC) in Glynco, Ga. The schools and training institutes on the FLETC campus – Inspectors General Academy, Financial Fraud Institute and Criminal Investigations Academy – demonstrated a wide range of capacity-building programs; these were supplemented by exhibitions of mock trial courts and a model customs and immigration facility. A full-day case study presentation on an anti-corruption case presented the Chinese with situations that challenged them to consider how to conduct a covert investigation.

The final two days of meetings in San Francisco included briefings with representatives of the city’s Ethics Commission and Controller’s Office, a judge from the U.S. Court of Appeals, the U.S. Attorney for the Northern District of California and top security officials from the Federal Reserve Bank of San Francisco.

Delegation members, all from the Ministry of Supervision, were Liu Chunjin, Han Henglin, Cui Hairong, Yang Xiabai, Xu Zezhou, Wang Lihua, Kong Xiangren and Qiu Xiaomin. The program was funded by the State Department’s Bureau of Educational and Cultural Affairs.

ECONOMIC DEVELOPMENT

Growth in gross domestic product is only one means of measuring the soundness of an economy. Ensuring overall economic health also requires attention to other indicators, such as environmental degradation, income disparity, and job loss and creation. There is strong interest in both Greater China and the United States on ways to prepare workers for a changing economy, providing fertile ground for Sino-American exchanges involving professionals with experience in government agencies, major corporations and small businesses, and organized labor.

Worker Retraining Delegation

The migration of Taiwan manufacturing to the Chinese mainland, as well as the impact of globalization and major industrial restructuring, have had a significant effect on Taiwan’s unemployment rate, which reached an historic high in 2003. To explore ways to alleviate the impact of job loss on the Taiwan workforce, the National Committee sent a delegation of worker retraining specialists to Taipei and Kaohsiung in April 2003. The group was hosted by the Employment and Vocational Training Administration of the Council of Labor Affairs.

The project had two purposes: to introduce delegation members to the challenges and opportunities facing Taiwan in the area of employment and training and to give Taiwan audiences information on the policies and tools

Americans have used to stimulate worker retraining. In workshops in Taipei and Kaohsiung, delegation members were able to give a well-rounded view of American experience in this field, with presentations on the federal government's



The Southern Vocational Training Center in Kaohsiung introduced Gus Crosetto and other delegates to worker retraining initiatives.

perspective on worker retraining and re-employment programs; coordination among federal, state and local efforts to improve access to employment and educational services; corporate responsibilities in offering educational opportunities to workers; and joint labor/management training programs.

One of the highlights of the trip was a tour of the Banciao Employment Service Center, modeled after American "one-stop" centers designed to serve the needs of both job-seekers and employers. The Banciao Center, which opened in February 2003, had its genesis in a visit to a Detroit one-stop center by a National Committee-led delegation of Taiwan labor leaders in July 2001. The new center

integrates services for the unemployed, such as unemployment benefits, employment consultation and vocational training. The delegation also was impressed by its visit to the Phoenix Foundation, a non-governmental organization engaged in training the handicapped for employment and by discussions with management and union representatives at the China Steel Corporation.

Delegation members were Carolyn Golding, former deputy assistant secretary of labor; Willie Walker, former director of employment and training for the city of Detroit; Harmon Lisnow, executive director of the Institute for Career Development, a labor-management partnership for training steel workers; and Gustavo Crosetto, former vice president for corporate learning at Fannie Mae.

In November, three members of the delegation reprised the Taiwan program during a study tour of the PRC. Hosted by the Ministry of Labor and Social Security, the delegation took part in workshops held in Beijing, Chengdu and Wuhan; visited local employment centers; and observed training programs in place at the Chengdu Aircraft Industrial Corporation and Wuhan Steel

The study tour was supported by a grant from the State Department's Bureau of Educational and Cultural Affairs.

EDUCATION

The National Committee's education programs look to the future of U.S.-China relations, recognizing that the door to another country may first open during classroom study. Our exchanges enable teachers to enrich their curricula through firsthand contact with citizens of the other country, in-depth discussions on history and exposure to modern society. These enriched curricula, combined with the newly bolstered enthusiasm of the teachers, are sparking the interest of a new generation of American and Chinese students and facilitating their understanding of another country and its people.

The National Committee is able to draw on a substantial body of experience and a rich network of contacts to identify and develop new programs in the education field. For 25 years, we have implemented programs on behalf of the U.S. Department of Education and the Ministry of Education, building effective partnerships with these two key institutions. Many exchange participants remain engaged in the Committee's work, hosting delegations in their schools or homes, and providing guidance in determining themes or topics for future exchanges.

U.S. History, Education and Culture for Chinese Educators Delegation

Chinese educators received thorough lessons in American history, culture, society and education systems during a three-week study tour of the United

States in September-October 2003. The 20 K-12 teachers who participated in the program will be able to incorporate this information, as well as their own observations, into their schools' course work, particularly social studies, history and English language instruction classes. The program marked the National Committee's continuing role in implementing annual exchanges between the U.S. Department of Education and the Chinese Ministry of Education, which began in 1980. (The counterpart trip to China, the Fulbright-Hays Summer Seminar to China, was postponed until 2004 because of SARS.)

The delegation's stops in Boston, Philadelphia, Washington, Atlanta, Oklahoma City, Tulsa and San Francisco



Members of the Educators Delegation found time spent in American classrooms to be especially valuable.

provided effective backdrops to the study tour themes of the American Revolution, Civil War, westward expansion, and modern government and society. The itinerary also incorporated discussions on the continuing influence of these historical events and trends on American consciousness. For instance, in Philadelphia, the group toured the National Constitution Center, a new museum that uses interactive exhibitions to explain the U.S. Constitution. Subsequent discussions with University of Pennsylvania Law School faculty and with a history teacher at Conestoga High School gave delegation members greater insight into the American legal system and the role of civics education in American schools.

Given their shared interests as educators, it was not surprising that the visits to five elementary schools and five high schools prompted some of the delegation's liveliest discussions. Public, private, charter and magnet schools, as well as meetings with local, state and federal education administrators, were all on the agenda. American and Chinese educators debated funding needs, maintaining fairness in education, the interplay between national and local regulation of education, and other issues of mutual interest.

The delegation was led by Dr. Yuan Zhenguo, deputy director-general, Department of Teacher Training at the Ministry of Education, and included Zhao Jianjun, Ministry of Education; Cheng Jinhui, Ministry of Education; Zhang Zhen, Tianjin University; Liu Xinsheng,

Northwest Normal University Affiliated High School (Gansu Province); Hua Defu, Lanzhou No.1 High School; Wang Feng, Qinghai Normal University Affiliated High School; Xu Yinsheng, Xining No. 7 High School (Qinghai Province); Zhang Yixian, Northwest Polytechnic Affiliated High School (Shaanxi Province); Liu Le, Xi'an Foreign Languages School; Liu Lijun, Gaoxin No.1 High School (Xi'an); Zhang Yajing, Xinhua High School (Tianjin); Wang Xueling, Tianjin High School; Zhao Shuyu, Nankai High School (Tianjin); Chen Jia, No. 20 High School (Tianjin); Zheng Xuan, No.2 Experimental Primary School (Beijing); Feng Lin, Beijing Normal University Experimental High School; Ruan Guojie, Beijing Normal University No. 2 Affiliated High School; Xiao Yuanqi, Renmin University Affiliated High School (Beijing); and Chen Yanhu, Renmin University Affiliated Primary School (Beijing).

The project was supported by a grant from the U.S. Department of Education.

U.S.-China Teachers Exchange Program

The U.S.-China Teachers Exchange Program works in American and Chinese classrooms to promote greater understanding of the two countries among teachers, students and host communities. Supported by the Freeman Foundation, this innovative program places American teachers in Chinese secondary schools and arranges placements for Chinese teachers at elementary, middle and high schools in the United States for an academic year. It is designed to provide teachers with

opportunities to improve their own language and teaching skills, develop a deeper understanding of another culture, and incorporate ideas and experiences in their home classrooms upon their return.

For Chinese teachers coming to the United States, the National Committee arranges an orientation program to prepare for new teaching and living environments; maintains regular communication to ensure teachers are managing their adjustment to American life; convenes a mid-year conference for the group to share experiences; and, shortly before the teachers' return to China, arranges a ten-day study tour that provides a broader context of American history, culture and education than they see in one community. Their American counterparts are similarly prepared and supported by National Committee staff during their stay in China.

Participants in the 2003-2004 academic year program – eight American teachers and 21 Chinese – proved to be resourceful and innovative in their classrooms. They incorporated cultural material and group activities into their lessons in order to more fully engage students in learning a new language or about another country.

Program participants and alumni also have proven to be a valuable resource in developing other National Committee exchange programs, often contributing time, ideas and expertise. For instance, during the above-mentioned U.S. History, Education and Culture for Chinese Educators Delegation, returned American

teachers gave lectures on the U.S. education system and civics education; another contact developed through the Teachers Exchange Program arranged a



Chinese teachers took part in an orientation program before starting the school year at their American schools.

full and varied itinerary for that delegation's program in Oklahoma.

Chinese teachers for the 2003-2004 academic year and their host schools were Chen Damin, Belmont (MA) Public Schools; Cui Xianwen, Milwaukee School of Languages; Feng Wei and Liu Renjie, Staples High School (Westport, CT); Gao Changcui, Garden School (Queens, NY); He Dongliang, Brookline (MA) High School; Hu Yingjie and Xia Haibo, School District of La Crosse (WI); Huang Xichang, Quincy Upper School (Boston); Jiang Qin, Jackson Middle School (Portland, OR); Liu Wenhui, Saint Edward's School (Vero Beach, FL); Liu Xingshi, Benjamin Banneker Academy (Brooklyn, NY); Wang Yi, Woodstock Elementary School (Portland, OR); Xi Zhuhong, Southampton (NY) Public

Schools; Xie Chunlei, Snowden International School (Boston); Xu Wei, Milton (MA) Public Schools; Zhang Dingding, Beacon School (New York, NY); Zhang Shuang, Lincoln School (Brookline, MA); Zhou Dongmei, Academy of Accelerated Learning (Milwaukee, WI); Zhu Yan, Henniker (NH) Community School; and Zou Meili, Kearsarge Regional Middle School (New London, NH).

The American participants and their host schools were Papa Assane Ba, Beijing No. 94 Middle School; Perry Bradford Badgley, Nanjing Teachers University Affiliated Middle School; Dan Becker,



Outside the classroom, American teachers in China received instruction in making dumplings.

Nanjing No. 29 Middle School; William D. Bronski, Yangzhou University Affiliated Middle School; Kristina James, Suzhou No. 1 Middle School; Ira Perelson, Luhe Middle School (Beijing); John Regan, Xinhua Middle School (Yangzhou, Jiangsu); and Douglas Robbins, Suzhou No. 10 Middle School.

The program has been funded since its inception in 1996 by the Freeman Foundation. The National Committee implements the program in cooperation with the Beijing-based China Education Association for International Exchange.

MEDIA

The media is a significant player in U.S.-China relations, often providing the citizens of both countries their first impressions, lasting images and continuing education about the other. The National Committee has found that despite sharp differences in media operations in both countries, there is still considerable scope for productive exchanges. The media are changing in important but different ways in both countries. In China, for example, the media is now required to be economically self-supporting, which has resulted in the need to attract viewers, readers and, ultimately, generate profits.

In addition to exchange programs, the National Committee maintains frequent contact with American and Chinese media representatives, inviting them to public programs, providing background information for stories and taking part in interviews.

Time Warner Internship Program

The Time Warner Internship Program continues to exhibit the hallmarks that have made it such a success since its inception in 1998: strong support from the highest levels of the corporate sponsor, outstanding commitment of the

program mentors, and talented and enthusiastic interns.

In September 2003, five students from Fudan University in Shanghai arrived in the United States for an orientation program and three-month internships at various Time Warner divisions. The week-long orientation program, which included stops in New York, Boston and Washington, provided a brief introduction to American history and contemporary society, as well as practical information on working environments and living arrangements. With high expectations, the interns then embarked on their assignments: Li Qianyi, a law major, was placed at FORTUNE; Zhang Jiexuan (Anita), an English major, began work at TIME; Zheng Ranran (Sabrina), who studies journalism, took on the newest internship at Warner Music; Yan Jie (Jennifer), a humanities major, went to Warner Bros.; and Shi Ying (Tina), an English major, reported to CNN.

The internships are designed to give the students both a broad overview of operations at one of Time Warner's divisions, and to find a niche in which they might develop and contribute their own expertise. In the deadline-driven world of news and entertainment media, this presents a challenge to the interns and their mentors. But the results demonstrated their resourcefulness and tenacity: articles published in FORTUNE, an interview with pianist Lang Lang in TIME and helping to arrange CNN's interview with Premier Wen Jiabao were among the highlights of the interns' work. They also took full advantage of all the

cultural resources that Atlanta, Los Angeles and New York have to offer, regularly visiting museums and other sites.



Time Warner executives Clark Xu, Peter Wolff and Lisa Barry welcomed the interns at the National Committee's gala dinner.

All of the interns were thoughtful and articulate, as demonstrated during their appearances in public programs. The three New York-based interns spoke to students in a world history class at Hunter College High School and to National Committee and China Institute members at a panel program; the CNN intern spoke to an Atlanta high school and college; and all of the interns spoke at a Los Angeles high school. The topics at these events ranged from the role of the Communist Party, to Taiwan, and to how the media shapes perceptions of American life among people around the world.

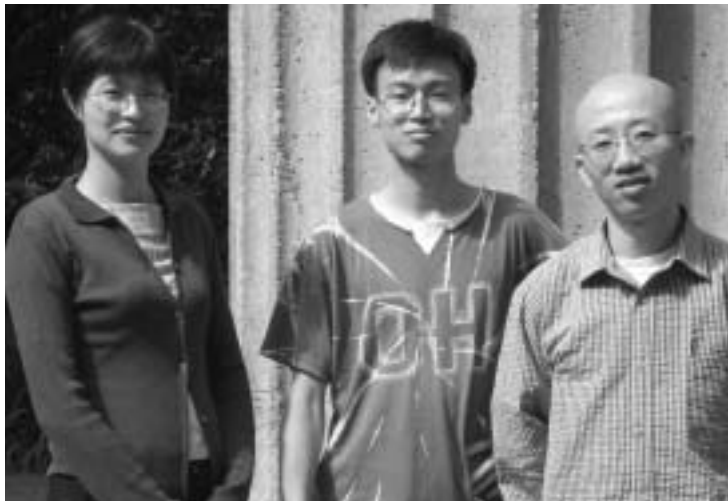
The National Committee developed this program on behalf of Time Warner Inc. and has administered it for the past six years. It also promotes continuing

contact among the 27 alumni of the program, through a listserv and programs in Shanghai.

GLOBAL ISSUES

China's increasing integration into world affairs means that it shares greater responsibility for addressing issues of global concern. Environmental degradation and threats to public health are two examples of problems that cross borders; they also benefit from multilateral efforts to mitigate impacts and find solutions.

While the issues are transnational in nature, they require local-level action. The National Committee has arranged exchange programs that focus directly on



U.S. community-based organizations gave Tian Lichun, Li Dan and Hu Jia training in outreach and education.

these global issues, and it also includes these topics among those addressed by delegations of local leaders. These programs can prove especially useful in demonstrating the value of including a

range of stakeholders in setting policy priorities.

HIV/AIDS Education Fellows

The United Nations estimates that 0.1 percent of China's adult population (approximately 1.3 million people) is currently infected with HIV, and that by 2010, 10 million Chinese adults will be HIV-positive, with 260,000 children orphaned as a result of AIDS.

Independent philanthropists and non-governmental organizations (NGOs) have emerged in China to remedy the blight of HIV/AIDS in geographic areas and segments of society that might otherwise prove beyond the reach of China's central and local governments.

To strengthen the capabilities of some of these independent NGOs, the National Committee developed a two-month fellowship program for three Chinese HIV/AIDS educators: Hu Jia, cofounder and executive director of the Beijing Aizhixing Institute of Health Education; Li Dan, founder of the Dongzhen AIDS Orphans Project; and Tian Lichun, researcher and project manager of the Yunnan Reproductive Health Research Association.

The core of the program was six-week placements at community-based health clinics that serve Asian-American populations. Working in these settings enabled the Fellows to communicate comfortably in Chinese and, since disease and lifestyle are frequently culture-bound issues, this arrangement also helped ease cultural sensitivities. Hu Jia was based in

New York City, at the Asian & Pacific Islander Coalition for HIV/AIDS and the Chinese-American Planning Council. Li Dan divided his time between Philadelphia's AIDS Services for Asian Communities and the Massachusetts AIDS Prevention Project in Boston. Tian Lichun was placed in the Bay Area, at Asian Health Services in Oakland and the Asian & Pacific Islander Wellness Center in San Francisco.

All of the host organizations were able to expose the Fellows to a wide range of prevention outreach initiatives, which took place at health fairs, at parties and bathhouses, and in Internet chatrooms. The Fellows learned how to select outreach venues, build trust with clients and develop culturally appropriate outreach materials. They also received lessons in operational and management issues, such as establishing a board, fundraising and budgeting.

A nine-day orientation program, with briefings at government agencies and NGOs in San Francisco, Washington and Atlanta, enabled the Fellows to hit the ground running when they arrived at their posts. A four-day national conference in Atlanta, focusing on community-based HIV/AIDS prevention, provided an occasion for the Fellows to meet midway through their stay and interact with dozens of specialists. At the wrap-up session in San Francisco, which took place just prior to the return to China, the Fellows shared some of their experiences with each other and considered ways to implement innovative new approaches in their home institutions.

The Department of State's Bureau of Educational and Cultural Affairs sponsored this project, with supplemental support from the C.E. and S. Foundation.

SARS: Its Impact on China's Politics, Economy and Society

As the SARS crisis unfolded, many speculated as to whether SARS might serve as a catalyst for change in the PRC. To consider the potential impact on China's politics, economy, media and civil-state relations, the National Committee convened specialists from academia and industry for a half-day conference on June 18 in New York.

In her keynote presentation, Laurie Garrett, a prize-winning medical and science writer for *Newsday*, reported on her recent investigations in China, presented some theories of the origin of SARS and identified conditions that facilitated the spread of the virus. Other speakers examined the response of China's new leaders to the unfolding crisis; the capacity of the economy to weather the short-term effects of SARS; the impact of SARS on China's relations with its neighbors and trading partners; and challenges in reporting on SARS.

An audience of about 150 National Committee members and guests attended the public program. Their questions focused on the potential for a recurrence of SARS, the availability of reliable public health information, and interaction between the World Health Organization and the Chinese public health system.

In addition to Ms. Garrett, conference speakers were Thomas Conley, Toy Industry Association; Joseph Fewsmith, Boston University, William McCahill, Wilmer, Cutler & Pickering; Minxin Pei, Carnegie Endowment for International

videoconference program on “Managing Public Health Emergencies” facilitated a discussion between American and Chinese specialists on ways to track and address public health concerns, as well as educate the public about these issues.



Dr. Lee Reichman (center) discusses TB during a videoconference to China.

Two iterations of the program were held. The first, linking New York and Beijing in mid-July, featured presentations by Farzad Mostashari of the New York City Department of Health and Mental Hygiene on syndromic surveillance systems; Lee Reichman, executive director of the National Tuberculosis Center at the University of Medicine and Dentistry of New Jersey on managing multi-drug resistant TB; journalist Patricia Thomas on media coverage of the anthrax-contaminated letters; and National Committee director Thomas Gorrie, an executive vice president of Johnson & Johnson, on lessons that company learned in responding to tampering of Tylenol bottles in 1982. Discussion of these American case studies – including best practices and mistakes – was intended to provide information of value as China assessed its response to the SARS crisis. Dr. Yang Xiaoguang, deputy director for information release at China’s Center for Disease Control (CDC), gave candid remarks about lessons learned from SARS.

Peace; Stephen Roach, Morgan Stanley; Yang Xiyu, Permanent Mission of the People’s Republic of China to the United Nations; and Arnold Zeitlin, Editorial Research and Reporting Associates.

The program was supported by Johnson & Johnson, the John D. and Catherine T. MacArthur Foundation, Morgan Stanley and New York Life Insurance Co.

Managing Public Health Emergencies

As SARS-related travel advisories forced the postponement of exchange programs, the National Committee turned to videoconferencing as a means of bringing American and Chinese citizens together to discuss issues of mutual concern. A

Based on the success of this program, a second broadcast, between New York and Shanghai, was held in November, with Dr. Mostashari, Dr. Reichman and Ms. Thomas reprising their roles. Dr. Lu Wei, deputy director of the Shanghai CDC,

made a presentation on SARS in Shanghai.

The lively discussions that followed speaker presentations focused on the effectiveness of quarantines, ways to gather health-related data, delivering information to the public, and public welfare versus individual rights.

The Ford Foundation provided financial support for the videoconference programs. In-kind support was provided by Citigroup, the U.S. Department of State and the U.S. Consulate in Shanghai.

SPECIAL PROJECTS

Foreign Policy Colloquium

How can the next generation of China’s leaders gain greater awareness of the dynamics, institutions and processes that shape American foreign policy? In June 2003, the National Committee and The George Washington University’s Elliott School of International Affairs launched a major new initiative to help meet this challenge: the U.S. Foreign Policy Colloquium (FPC). Two hundred Chinese students, who are enrolled in graduate programs at American universities, took part in the intensive, three-day Washington program, which gave them opportunities to hear firsthand reports from seasoned American foreign policy experts. A small number of American graduate students from the Washington area also took part.

The colloquium was open to individuals from all fields of study, since students of

engineering, biotechnology, computer science and other technical and scientific fields are heavily represented in the ranks of the Chinese leadership elites. International affairs and political science specialists were in the minority; all



Robert McNamara answered students’ questions about the Cuban missile crisis.

participants demonstrated keen interest in foreign policy, as evidenced by their incisive, articulate questions and comments.

The agenda featured a distinguished roster of speakers, including a keynote address on “America’s Role in the World” by Senator Chuck Hagel; former Secretary of State Madeleine Albright’s talk on the role of public opinion in U.S. foreign policy; three students’ interview of Assistant Secretary of State James Kelly; and former Secretary of Defense Robert McNamara’s remarks about the Cuban missile crisis, which followed a screening of the film *Thirteen Days*. Other presentations shed light on the role of interest groups and the media in

shaping foreign policy and public opinion. The students broke into small groups one afternoon for site visits to 15 foreign policy-related government agencies and non-governmental institutions. A simulation exercise gave participants a chance to put in practice some of the concepts they were exposed to over the course of the FPC.



Students enjoyed a site visit to Capitol Hill.

FPC participants felt the program met its objective of immersing students in the foreign policy process. One student wrote, "After this session, it is fair to say most of the Chinese participants know the process of American foreign policy decision-making better than the process of China's. I hope they can be translators or icebreakers whenever a crisis occurs in the future between China and the United States."

The FPC, an annual event, is supported by The Coca-Cola Company. It is held on the campus of George Washington University.

Young Leaders Forum

An exceptional network of dynamic young American and Chinese leaders has begun to take shape under the auspices of the National Committee's Young Leaders Forum (YLF). YLF was inaugurated in May 2002 and by the time of the second gathering, in November 2003, it was clear this network had been strengthened and enriched through ongoing contact among the Fellows. The diversity of professions, viewpoints and personal experiences represented in the program feeds a creative exchange that has the potential to open new fields of cooperation between China and the United States.

The 24 original Fellows were joined by a new class of nine Americans and nine Chinese. YLFers now include professionals from business, academia, government, the military, non-governmental organizations, the media and the arts. The theme for the 2003 gathering, held October 31-November 5, in the scenic Chinese locales of Huangshan and Hangzhou, was "Balancing Change and Tradition." YLFers shared their expertise and perspectives during panel presentations on foreign policy; preserving community lifestyles and the environment; international trade, investment and financial systems; managing people and technology; governance; the role of the media; and evolving styles of artistic expression. YLFers also gave high marks to the invited speakers, who included Cui Tiankai, head of policy planning at the Ministry of Foreign Affairs; Victor Yuan, head of China's leading polling company;

and Zhou Mingwei, vice minister of the State Council's Taiwan Affairs Office.

The scenic surroundings and social activities enhanced the interaction among the YLFers. A sunrise hike to the top of Mount Huang, a tour of Ba Gua Cun (a Ming dynasty scholar's village) and a boat ride on West Lake were among the highlights. Many commented that the exchange of information in these more informal settings proved to be most valuable, during which time YLFers explored differences and similarities between American and Chinese culture, traditions, world views, business practices and other areas. These discussions have continued since the close of the 2003 gathering, through listservs and informal gatherings.

Participants in the 2003 Forum were Roger Barnett, Activated Holdings; Roslyn Brock, Bon Secours Health System; Cheng Wenhao, Tsinghua University; Du Changping, Fuyang City Municipal Government; Fang Xinghai, Shanghai Stock Exchange; Stephan Fowlkes, visual artist; Fu Jun, Peking University; Gabrielle Giffords, Arizona State Senate and Giffords Capital Management; Paul Haenle, Office of the Joint Chiefs of Staff; Ted Halstead, New America Foundation; Alexandra Harney, Financial Times; Darryll Hendricks, Federal Reserve Bank of New York; Jack Hidary, Prism Fund; Mark Kelly, National Aeronautical and Space Administration; Stacy Kenworthy, Optifacio, Inc.; Brian Li, Beiya Industrial Group Co.; Li Hong, Shu Jin Law Firm; Liu Yadong, Medley Global Advisors; Lu

Hongyan, Trier University of Applied Science; Ma Liangwei, Beijing Municipal Institute of City Planning and Design; Steven Okun, United Parcel Service; Gregg Pasquarelli, SHoP/Sharples, Holden, Pasquarelli; Qiu Zhijie, The Long March Foundation; Joshua Ramo, John Thornton Group; Philip Reeker, U.S. Department of State; Rui Chenggang,



YLFers shared their views on change and tradition during panel presentations.

China Central Television; Shao Yibo, Eachnet.com; Todd Sigaty, Village Focus International; Tara Wang, Elan PR; Orlando Wang, Deutsche Bank AG; William Wechsler, Greenwich Associates; Weng Ling, Shanghai Gallery of Art; Xing Yi, Taikang Life Insurance Co., Ltd.; Xu Qiyu, National Defense University; Robert Yung, Intel Corporation; Zhang Geng, Bingjiang District Government, Hangzhou, Zhejiang Province; and Zheng Baohua, Center for Community Development Studies.

The 2003 YLF was supported by Time

PUBLIC EDUCATION AND OUTREACH

Warner Inc., PepsiCo Inc., BP, UPS and the Ford Foundation. The Chinese People's Institute for Foreign Affairs served as the Chinese host for the program.

The Forum will return to the United States in 2004, with a fall gathering planned for Arizona.

A. Doak Barnett Essay Contest

The National Committee honors the memory of one of its founders, A. Doak Barnett, through an annual essay contest for American and Chinese graduate students. In the third year of the competition, students used their 1,500-word essays to address this challenging question: "New leaders are at the helm in both China and the United States. Against this backdrop, what issue provides the greatest opportunity for these leaders to enhance Sino-American cooperation?" A distinguished panel of American and Chinese academics joined Jeanne Barnett, Doak's wife, in selecting the winners.

Essayists addressed a range of topics, such as HIV/AIDS, cooperation through joint nation-building efforts, and strengthening the U.S.-China business relationship. The winning American,

Jason Wang of the RAND Graduate School for Policy Studies, emphasized the need for collaboration in the public health sphere in his essay, "Time is Ripe for Increased U.S.-China Cooperation in Health." On the Chinese side, the judges awarded first place to two writers. The essay of Xia Nailing of Duke University focused on "Toward a Win-Win Outcome via 'Peripheral Cooperation'" and suggested that cooperation in public administration could prove fruitful. Li Li, from the University of New Mexico, looked at "The Internet, Educational Exchange and Sino-U.S. Relations" and described ways in which American and Chinese could productively exchange views electronically. American Mark Jacobs, of Cornell University, received an honorable mention for his essay, "Mutual Understanding, Its Relevance and a Means to Achieve It," in which he recommended bringing together small groups of Chinese and American university students.

First prize awards were \$1,000. All four essays were published in the National Committee's newsletter.

The essay contest is supported by contributions to the A. Doak Barnett Memorial Fund.

Through conferences, seminars, panel programs, publications and e-mail briefings, the National Committee provides information about the major issues in U.S.-China relations directly from policy-makers and opinion leaders on both sides of the Pacific. The Committee's website is another channel for public outreach. Summaries of program events, reports in the China Policy Series, recent articles and speeches on U.S.-China relations, and links to useful resource materials are among the features posted on the website (www.ncuscr.org).

Programs were held in New York City, unless otherwise indicated.

January 21

Roundtable Discussion
"Contemporary Issues in Taiwan"
Speaker: Dr. Hsiao Hsin-huang,
Academia Sinica

January 23

Panel Discussion
"Standoff on the Korean Peninsula:
Defusing North Korea's Nuclear
Ambitions"
Speaker: William J. Perry, Harvard-
Stanford Preventive Defense Project
Discussants: Samuel S. Kim, Columbia
University; Xiaobo Lu, Columbia
University; Tsuyoshi Sunohara, Nihon
Keizai Shimbun.
Cosponsored with Asia Society, Japan
Society and The Korea Society.

January 24

Discussion
"Standoff on the Korean Peninsula:
Defusing North Korea's Nuclear
Ambitions"
Speaker: William J. Perry, Harvard-
Stanford Preventive Defense Project.
Cosponsored with Brookings Institution,
Washington, DC

February 4

Corporate Members Briefing
Speaker: Michael Jemal, President and
CEO, Haier America

February 10

Film Screening and Discussion
"China in the Red"
Speaker: Sue Williams, Ambrica
Productions.
Cosponsored with Asia Society and
FRONTLINE.

March 18

Discussion

“China’s Investment Climate: A Report from the Field”

Speaker: Christian Murck, American Chamber of Commerce, Beijing

April 7

Corporate Members Briefing

“Economic Challenges and Policies under China’s New Leadership”

Speaker: Justin Yifu Lin, China Center for Economic Research

April 7

Book Discussion

Speaker: David Shambaugh, George Washington, University, author of *Modernizing China’s Military*
Cosponsored with Asia Society and Council on Foreign Relations

June 18

Conference

“SARS: Its Impact on China’s Politics, Economy and Society”



Professor Yuan Ming (center) discusses China’s foreign policy at the Annual Members Program.

June 20

Roundtable Discussion

“Political Developments in Taiwan”

Speaker: Bi-khim Hsiao, Member, Legislative Yuan, Taiwan

September 10

Corporate Members Briefing

Speaker: Clark T. Randt, Jr., U.S.

Ambassador to the People’s Republic of China

September 17

Conference

“Opportunities of Closer Economic Partnership Arrangement, China’s First Free Trade Agreement”

Luncheon Speech

Donald Tsang, Chief Secretary for Administration, Hong Kong SAR

Cosponsored with Hong Kong Economic & Trade Office, Hong Kong Trade Development Council, Hong Kong Association of New York

September 23

Book Discussion

Speaker: Carl Walter, JPMorgan Chase & Co. and author, *Privatizing China: The Stock Markets and Their Role in Corporate Reform.*

September 24

Roundtable Discussion

“China’s News Media”

Speaker: Hu Shuli, *Caijing* magazine

September 24

Discussion

Dai Xianglong, Mayor of Tianjin Municipality and Delegation

Cosponsored with US-China Business Council and Asian American Business Development Center

November 12

Annual Members Program

Panel Discussion

“New Directions in China’s Foreign Policy”

Panelists: Chen Xiaogong, Central

Foreign Affairs Office; Cui Liru, Chinese Academy of Social Sciences; Yuan Ming, Peking University; Zhang Tuosheng, China Foundation for International and Strategic Studies

December 9

Dinner Address

Premier Wen Jiabao

Cosponsored with America-China Society, Asia Society, Center for Strategic and International Studies, Committee of 100, Council on Foreign Relations, U.S.-Chamber of Commerce, US-China Business Council, U.S.-China Policy Forum
Washington, DC

December 9

Time Warner Interns Panel Discussion

“Youthful Voices: A Candid Discussion with Chinese University Students”

Speakers: Li Qianyi, Zhang Jiexuan and Zheng Ranran.

Moderator, Adi Ignatius, *TIME*



National Committee Chair Carla Hills welcomed Premier Wen Jiabao to a Washington dinner in his honor.

© Kaveh Sardari

G A L A

All photos this page: © Elsa Ruiz



The National Committee's biennial gala dinner was held on September 10 at The Plaza in New York City. The Freeman Foundation, U.S. Department of Education and Citigroup were recognized during the evening's program for their efforts in opening and strengthening channels of communication between American and Chinese citizens.

Secretary of Education Rod Paige was the featured speaker. In his remarks, he outlined a new agreement between the Department of Education and China's Ministry of Education to encourage English and Chinese language learning over the Internet.

The gala, a major source of unrestricted support for the National Committee, generated \$775,000 in gross revenue. Much of the success was due to the work of the dinner co-chairmen, Thomas R. Pickering, senior vice president for international affairs at The Boeing Company and William R. Rhodes, vice chairman of Citigroup Inc.

Top Left: Distinguished guests included Vice Minister of Education Zhao Qinqing and U.S. Ambassador to China Clark T. Randt, Jr.

Middle Left: Honorees Buck Freeman (Freeman Foundation), Rod Paige (U.S. Department of Education) and Bill Rhodes (Citigroup) accepted honors on behalf of their organizations.

Bottom Left: Ray Brace of Wal-Mart chats with Manhattan Borough President C. Virginia Fields.

G O V E R N A N C E A N D M E M B E R S H I P

The 77th Meeting of the Board of Directors was held in New York City on November 13, 2003. The 37th Annual Members' Meeting was held on November 12, 2003. Members present (or by proxy) elected the Board Class of 2006; three individuals were also elected to the Class of 2004.

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Terrill Lautz
Thomas R. Pickering
William R. Rhodes
Matt Salmon
David K.Y. Tang

Class of 2004

Thomas J. Christensen
Herbert J. Hansell
Carla A. Hills

Four Directors left the Board through rotation or retirement as of November 12, 2003: Nancy Kassebaum Baker, Geraldine S. Kunstadter, David M.

Lampton, and Kathryn Mohrman. At the 77th session of the Board, Directors appointed Henry A. Kissinger to the Board, and elected the following officers of the Committee: Carla A. Hills, chair; William M. Daley, Maurice R. Greenberg, Lee H. Hamilton, William R. Rhodes, J. Stapleton Roy and James R. Sasser, vice chairmen; Herbert J. Hansell, treasurer; Kathryn D. Christopherson, secretary; and John L. Holden, president.

At-large Board Members Michael H. Armacost, Dennis C. Blair, Thomas J. Christensen, Barbara H. Franklin, William E. Frenzel, Thomas H. Kean, Nicholas R. Lardy, Robert A. Levinson, Kenneth J. Lieberthal, D. Bruce McMahan, Robert S. McNamara, Douglas P. Murray, and Joseph W. Prueher, joined the officers to comprise the Executive Committee.

Herbert J. Hansell was appointed chairman of the Audit Committee; Carla A. Hills, chair of the Compensation Committee; Virginia Kamsky and D. Bruce McMahan, co-chairmen of the Development Committee; Kathryn D. Christopherson, chairman of the Nominating Committee; and David M. Lampton, chairman of the Program-Strategy Committee.

FINANCES

The activities of the National Committee are made possible by the support of U.S. government agencies, particularly the United States Department of State and United States Department of Education, foundations, business firms, Members and friends. This support enables the Committee to maintain service to the public at large and to undertake exchanges and special programs that contribute to the advancement of knowledge and strengthening of relationships on both sides of the Pacific.

We are indebted to those who made financial contributions during Fiscal Year 2003 (October 1, 2002 – September 30, 2003) and to the many individuals who gave so much of their time, creativity and in-kind assistance. Financial contributors are listed below and on succeeding pages.

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* A. Doak Barnett Memorial Fund

Statement of Financial Position

September 30, 2003

ASSETS

Cash and cash equivalents	\$ 1,802,744
Investments	949,383
Grants and contributions receivable, net.....	2,164,885
Other receivables	4,698
Program advances, exchanges and other assets	28,185
Security deposits	4,613
Fixed assets, net.....	39,862

TOTAL ASSETS	\$ 4,994,340
	=====

LIABILITIES AND NET ASSETS

Accounts payable and sundry liabilities.....	\$ 237,281
Refundable advances	--
Deferred rent	29,253

TOTAL LIABILITIES	266,534

NET ASSETS

Unrestricted	
Undesignated.....	\$ 594,813
Board-designated	663,100
Temporarily restricted.....	3,469,893

TOTAL NET ASSETS	4,727,806

TOTAL LIABILITIES AND NET ASSETS	\$ 4,994,340
	=====

Condensed Statement of Activities for the Year Ended September 30, 2003

	Unrestricted	Temporarily Restricted	Totals 2003
REVENUES:			
U.S. Government grants	\$ --	\$ 453,022	\$ 453,022
Contributions	498,771	3,312,702	3,811,473
Special events (net)	663,100	--	663,100
Investment income and other	14,033	--	14,033
Net assets released from restriction	2,189,781	(2,189,781)	--
TOTAL REVENUES	3,365,685	1,575,943	4,941,628
EXPENSES:			
Programs	2,150,313	--	2,150,313
Management and administration	614,559	--	614,559
Fund-raising	121,274	--	121,274
TOTAL EXPENSES	2,886,146	--	2,886,146
Change in net assets	479,539	1,575,943	2,055,482
Net assets beginning of year	778,374	1,893,950	2,672,324
Net assets end of year	\$1,257,913	\$3,469,893	\$4,727,806

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